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Office Memorandum · UNITED STATES GOVERNMENT

TO : ARA - Mr. Holland

DATE: April 19, 1954

FROM : MID - John W. Fisher

SUBJECT: Briefing on Guatemala

The attached National Intelligence Estimate on Probable Developments in Guatemala was approved eleven months ago. Events occurring in the interim have tended to confirm the validity of the conclusions presented in the paper as they relate to future developments in that country.

During the past year, Communist strength and influence in Guatemala has continued to grow without effective opposition. Party membership is now estimated at between 2,000 and 3,000. Communist leaders have strengthened their control over organized labor, causing destruction of a fledgling anti-Communist labor group and drawing the large Communist-influenced peasant federation closer to the Communist-run labor federation. They continue to be ascendant in the Administration political coalition, supplying four of the ten party delegates who regularly advise Arbenz on national policy. The other six delegates either support or tolerate the Communists. (The Cabinet, which Government propagandists frequently claim contains no Communists, has an insignificant role in policy making.) Arbenz defended the Guatemalan Communists so strongly in his March 1 speech to the Congress that his alliance with them appears irrevocable, so far as he is concerned. The predominant influence of the Communists in Agrarian Reform, the central program of the Administration, has further increased their political strength and laid the basis for development of a Communist-led peasant faction, inured to violence, which could give persistent trouble to any future government disliked by the Communists.

The Guatemalan political opposition, both at home and in exile, is numerous but hopelessly disorganized and demoralized. In itself it does not constitute a significant threat to the Arbenz regime, but will continue to be persecuted by the Government as long as it retains any potential for action.

Although Arbenz is only halfway through his six-year term of office, maneuvering has already begun among Administration figures who hope to succeed him, with some potentially unsettling effect.

Despite numerous expressions of irritation by Guatemalan Army officers over U.S. refusal to supply them arms because of the Communist situation

SECRET

situation, there is no evidence that this discontent is being focused on Arbenz, who retains the loyalty of the most influential elements of the Army as well as the power to purge any officers found to be disloyal.

The adoption of the anti-Communist resolution did not weaken Arbenz' position with respect to the Army or to any other politically important group.

Also attached are two telegrams from Ambassador Peurifoy, one containing his appraisal of Arbenz and the other outlining some suggested policy recommendations.

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